

ORIGINAL



Sulphur Springs Valley Electric



0000145323

A Touchstone Energy® Cooperative



311 E. Wilcox, Sierra Vista AZ 85635

May 30, 2013

Arizona Corporation Commission
Attention: Docket Control
1200 W. Washington St.
Phoenix, AZ 85007-2929

Reference: Docket Control: E-01575A-08-0328; Decision #71274

Dear Sirs,

Enclosed are our Updated Equity Projections, as required by the referenced Docket Control and Decision. I apologize for the delay.

Respectfully,

Sara Hofer
SARA HOFER, ASSISTANT TO
Kirby Chapman
Chief Financial and Administration Officer
Sulphur Springs Valley Electric Cooperative, Inc.

Cc: Brian Bozzo, ACC Manager of Compliance & Enforcement

Arizona Corporation Commission

DOCKETED

JUN 05 2013

DOCKETED BY	<i>LM</i>
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AZ CORP COMMISSION
DOCKET CONTROL

ACC Docket No: E-01575A-08-0328, Decision No:71274

Sulphur Springs Valley Electric Cooperative, Inc.

UPDATE OF EQUITY PROJECTIONS Financial Forecast with 2013 as First Future Year. Updated 2010-2012 Construction Work Plan w/'13/'14 Amendment

Assumptions and Estimates

1. Growth – revenue
 - a. Rates – All rates as approved by the ACC for use in October 2009 were used for all forecasted years
2. Growth – usage
 - a. Each class usage growth was calculated separately based upon historical and forecasted economic predictions
 - b. Based on 2008 Cost of Service Study and also 2012 Power Requirements Study:

Class	Annual Growth rate per customer		
	basis	usage	# of customers
Residential	historical	1.50%	1.00%
Irrigation	economic	1.50%	0.5%
Small commercial	historical	1.60%	Net 1 per year
Large commercial	historical	1.50%	Net 1 per year
Contract commercial	historical	0.00%	None
Street lights	historical	0.00%	none

3. Cost of Power
 - a. Expect blended rate increase of 1-2% - combined AEPCO and other sources
4. Expenses
 - a. Average annual inflation rate of 2% based on historical data.
 - b. \$750,000 additional A&G cost per year based on Audit reversal of Management costs clearing accounting in 2010.
5. Long Term loan rates and term on new loans
 - a. Construction - CFC and CoBank at 3.56% for 35 years but based on 7 year repricing cycles.
 - b. CREB – CoBank 1.85% for 22 years
 - c. Refinanced \$49 million of CFC loans with CoBank with an overall annual savings of \$1.5 million.
 - d. Projected refinancing in 2013 of \$15 million of CFC loans with CoBank for overall annual savings of 1/2 million.
Also, refinancings in '14, '15, '16, & '19 on new Bond program at 3.75%.
6. Capital Credits – annual allocations
 - a. G&T - \$2.0m
 - b. Others - CoBank & CFC - CoBank allocation 1% of \$1 million & retire 65%; CFC 1% of interest earned & retire 50%.
7. Other revenues – annual total (including Fort Huachuca margins & joint use)
 - a. \$3.3 million with increases for additions throughout the forecast.
8. Post CWP construction expenditure
 - a. 2010-2012 work plan extended into 2014, with amendment for '13/'14. Smart Grid program extended to 2014.
 - b. 2015-2017 \$18m per year for Distribution + 2% inflation. Transmission \$3mill.
 - c. 2018-2021 the same with 2% inflation compounded.
 - d. General funds invested in Plant set at 22% and dropping to 15% in 2017.
9. Continuing Smart Grid projects from the 2009-2012 work plans totaling \$39 million with \$19.5 million in DOE contributions.
10. Contributions past the current work plan are based on new line extensions, which comprise 15% of the work plan projections.
All 100 code line extensions are paid 100% by the member.
11. No CTCs in the future because the plan was to go with COBank or Bond financing, which doesn't require CTCs.
CTC refunds increase in 2011 and beyond because of refinancing.
12. Target DSC is 1.35
13. CREBS loans covered under REST program.

Assumption Changes:

1. Management/A&G costs must now be expensed rather than functionalized based on payroll.
2. Growth of customer base less optimistic than it was previously.
3. Refinance of CFC debt with CoBank or Bond Issuances will lower interest costs.
4. Capital Credit allocation from G&Ts will be much less than previous experience and

FORM 325A - FINANCIAL RATIOS

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SULPHUR SPRINGS VALLEY ELECTRIC COOP, INC
2012 FINANCIAL FORECAST

FORM 325C - STATEMENT OF OPERATIONS													
FINANCIAL PROJECTION													
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1. ACCRUAL BASIS													
A1. ADD REV REQ'D TO MEET TIER GOALS	103,834,258	104,856,072	108,958,708	110,372,124	114,051,984	118,069,985	122,037,226	126,159,936	130,644,611	135,098,033	139,707,703	144,519,328	149,519,314
A2. OPER REV & PAT CAP (PRESENT RATE)	61,105,441	62,639,414	67,075,507	67,585,068	70,437,475	73,414,515	76,521,728	79,764,902	83,150,086	86,683,600	90,356,801	94,206,381	98,216,332
B. COST OF POWER - In 3	42,728,817	42,216,658	41,883,201	42,787,056	43,614,509	45,277,482	47,517,802	49,930,572	52,460,864	54,841,732	57,571,902	60,719,284	63,100,018
C. OPER REV LESS COST OF POWER	58.8%	59.7%	61.6%	61.2%	61.8%	62.2%	62.7%	63.2%	63.6%	64.2%	64.7%	65.2%	65.7%
D. OPER & MAINT EXPENSE - In 4-6	12,238,074	11,880,495	12,823,073	14,773,322	15,480,610	16,449,420	17,463,117	18,523,607	19,632,874	20,792,985	22,006,090	23,274,429	24,600,332
E. CONSUMER ACCT & SALES EXPENSE -	3,685,384	3,494,860	3,763,311	4,362,249	4,449,494	4,538,484	4,629,254	4,721,839	4,816,275	4,912,601	5,010,853	5,111,070	5,213,291
F. A&G AND OTHER DEDUCTIONS - In 10 &	5,818,031	5,427,466	5,417,971	5,707,874	5,981,145	6,355,458	6,747,113	7,156,848	7,585,429	8,033,653	8,502,353	8,992,393	9,504,674
G. DEPRECIATION & AMORT EXPENSE - In	9,473,337	9,490,440	9,735,488	10,809,371	11,104,785	11,568,379	12,040,472	12,521,234	13,010,838	13,509,463	14,017,286	14,534,494	15,061,274
H. TAX EXPENSE - In 14	1,143,577	954,343	997,596	1,275,878	1,336,962	1,420,632	1,508,178	1,599,766	1,695,566	1,795,758	1,900,526	2,010,064	2,124,574
I. INTEREST EXPENSE - In 15 (w/ debt - inclur	7,522,085	7,276,225	7,056,383	7,367,079	7,161,970	7,129,558	7,358,865	7,659,473	7,987,254	8,191,134	8,535,220	9,127,843	9,821,372
J. TOTAL COST OF ELECTRIC SERVICE	100,985,929	101,163,243	106,869,329	111,880,840	115,952,442	120,876,445	126,268,727	131,947,668	137,878,323	143,919,194	150,329,130	157,256,674	163,641,848
K. PATRONAGE CAP & OPER MARGINS	2,848,329	3,692,829	2,089,379	(1,508,716)	(1,900,458)	(2,806,461)	(4,231,501)	(5,787,732)	(7,233,712)	(8,821,161)	(10,621,427)	(12,737,346)	(14,122,534)
L. NONOPERATING MARGINS - In 21 & 24	517,642	297,354	514,180	529,605	545,494	561,858	578,714	596,076	613,958	632,377	651,348	670,888	691,015
M. G & T & OTHER CAPITAL CREDITS - In 2	3,998,196	3,364,882	2,605,979	3,323,918	3,537,211	3,761,457	3,958,143	4,128,826	4,281,592	4,428,826	4,569,645	4,708,473	4,846,895
N. TOTAL ACCRUAL MARGINS	7,364,167	7,355,065	5,209,538	2,344,807	2,182,247	2,138,867	2,207,660	2,297,842	2,396,176	2,457,340	2,560,566	2,738,353	2,676,412
margin as % of revenue	7.09%	7.01%	4.78%	2.12%	1.91%	1.80%	1.78%	1.77%	1.77%	1.74%	1.73%	1.77%	1.66%
GOAL: TIER	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
GOAL: DSC (WITH ADD REVENUE)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
2. CASH BASIS													
A. CASH BEFORE DEBT SERVICE	20,361,393	20,756,848	19,395,430	17,197,339	16,911,792	17,075,347	17,748,854	18,524,588	19,344,677	19,939,111	20,803,428	22,002,216	22,348,162
B. TOTAL DEBT SERVICE	11,209,831	11,189,376	12,280,181	13,702,069	14,115,386	14,448,425	14,987,776	15,639,412	16,274,182	16,606,600	17,246,844	18,375,520	18,777,522
C. CASH MARGINS AFTER DEBT SERVICE	9,151,562	9,567,472	7,115,249	3,495,270	2,796,406	2,626,923	2,761,078	2,885,176	3,070,495	3,332,511	3,556,583	3,626,696	3,570,640
1. SOURCES OF GENERAL FUNDS													
A. NET GENERAL FUNDS (FIRST OF YEAR)	8,663,108	13,059,084	14,612,421	12,505,468	19,079,268	15,531,481	12,933,577	10,446,831	9,978,564	9,381,629	9,100,826	9,066,670	9,112,504
B. CASH MARGINS AFTER DEBT SERVICE	9,151,562	9,567,472	7,115,249	3,495,270	2,796,406	2,626,923	2,761,078	2,885,176	3,070,495	3,332,511	3,556,583	3,626,696	3,570,640
C. OTHER PROCEEDS-REST Contribution for Debt Service.			670,116	945,922	953,452	961,085	968,824	976,671	984,625	992,689	1,000,867	1,009,159	1,017,567
D. SALE OF EXCLUDABLE ITEMS	554,529	51,846	492,674	941,496	999,829	1,154,089	1,220,153	1,603,206	1,349,931	1,466,023	1,551,861	1,626,314	1,557,239
E. REIMBURSEMENTS	14,901,490	0	0	10,000,000	0	0	0	0	0	0	0	0	0
F. REIMBURSEMENTS FROM SPECIAL LOF	2,424,906	5,000,000	4,040,000	2,510,000	4,400,000	1,840,000	10,000,000	2,000,000	2,000,000	2,200,000	2,200,000	2,200,000	2,200,000
2. TOTAL GENERAL FUNDS AVAILABLE	35,695,595	27,678,402	26,930,460	30,398,156	28,228,955	22,113,577	27,883,631	17,911,884	17,383,615	17,372,852	17,410,137	17,528,840	17,457,950
3. PROPOSED USES OF GENERAL FUNDS													
A. PURCHASE OF EXCLUDABLE FUNDS													
A. PURCHASE OF EXCLUDABLE ITEMS	313,252	394,124	0	0	0	0	0	0	0	0	0	0	0
B. CAPITAL CREDIT RETIREMENTS	412,210	412,210	742,823	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
C. GEN FUNDS INVESTED IN PLANT	2,458,189	3,241,281	6,210,244	8,308,887	7,797,474	6,840,000	6,936,800	5,433,320	5,501,986	5,572,026	5,643,467	5,716,336	5,790,663
D. OTHER USES OF GENERAL FUNDS	9,050,000	5,000,000	4,040,000	2,510,000	4,400,000	1,840,000	10,000,000	2,000,000	2,000,000	2,200,000	2,200,000	2,200,000	2,200,000
4. TOTAL PROPOSED USES OF GENERAL FI	12,233,651	9,047,615	10,993,067	11,318,887	12,697,474	9,180,000	17,436,800	7,933,320	8,001,986	8,272,026	8,343,467	8,416,336	8,490,663
excess general funds available for Plant Investment													
5. NET GENERAL FUNDS(END OF YEAR)	23,461,944	18,630,787	15,937,393	19,079,268	15,531,481	12,933,577	10,446,831	9,978,564	9,381,629	9,100,826	9,066,670	9,112,504	8,967,287
GEN FUNDS REQUIRED FOR PLANT													
INVEST (non-priority funds)	2,458,189	3,241,281	1,316,637	1,851,413	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
CWP financed with internal funds	0	0	4,893,607	6,457,474	5,797,474	4,840,000	4,936,800	3,433,320	3,501,986	3,572,026	3,643,467	3,716,336	3,790,663
net LOC activity (Notes Pay - acct 231.xx) line 4	2,085,000	(5,000,000)	0	0	0	0	0	0	0	0	0	0	0

SULPHUR SPRINGS VALLEY ELECTRIC COOP, INC
2012 FINANCIAL FORECAST

	← ACTUALS →					PROJECTIONS																						
						BUDGET					FINANCIAL PROJECTION					FORM 325E - DETERMINATION OF LOAD												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
GROWTH FACTORS																												
1. NUMBER OF CONSUMERS																												
A. RESIDENTIAL- SALES	1.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%		1.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%
B. RESIDENTIAL- SEASONAL	0.0%	0.0%	0.3%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		0.5%	0.3%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
C. IRRIGATION	0.2%	0.8%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
D. COMM'L - (50 kVa or less)	1.1%	-1.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
E. COMM'L - (50 kVa or more)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
F. PUBLIC STREET																												
2. AVERAGE MONTHLY USE PER CONSUMER																												
A. RESIDENTIAL- SALES	-0.2%	0.3%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		1.5%	0.3%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
B. RESIDENTIAL- SEASONAL	0.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		1.5%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
C. IRRIGATION	0.2%	0.8%	1.0%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%		1.6%	0.8%	1.0%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
D. COMM'L - (50 kVa or less)	1.1%	-1.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
E. COMM'L - (50 kVa or more)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
F. PUBLIC STREET																												
G. PUBLIC BUILDING																												
H. OTHER- 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1
I. OTHER- 2	4	4	4	4	4	4	4	4	4	4	4	4	4	4		4	4	4	4	4	4	4	4	4	4	4	4	4
J. SECURITY LIGHTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
K. TOTAL CONSUMERS	50,865	51,078	50,891	51,395	51,905	52,420	52,939	53,464	53,994	54,530	55,071	55,617	56,209		55,617	56,209												
2. AVERAGE MONTHLY USE PER CONSUMER >growth																												
A. RESIDENTIAL- SALES	742	730	730	741	752	763	775	786	798	810	822	835	847		835	847												
B. RESIDENTIAL- SEASONAL	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0												
C. IRRIGATION	15,612	18,027	18,681	18,961	19,246	19,534	19,827	20,125	20,427	20,733	21,044	21,360	21,680		21,360	21,680												
D. COMM'L - 50 KVA OR LESS	1,041	1,026	996	1,040	1,057	1,074	1,091	1,108	1,126	1,144	1,162	1,181	1,200		1,181	1,200												
E. COMM'L - OVER 50 KVA	35,487	35,369	30,718	30,918	31,413	31,915	32,426	32,945	33,472	34,007	34,518	35,070	35,585		35,070	35,585												
F. PUBLIC STREET	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318		4,318	4,318												
G. PUBLIC BUILDING	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0												
H. OTHER- 1 EuroFresh (Nature Sweet), NOF	4,765,883	5,064,850	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600	5,088,600		5,088,600	5,088,600												
I. OTHER- 2 Sales to Non Members	72,666	72,666	484,666	484,666	484,666	484,666	484,666	484,666	484,666	484,666	484,666	484,666	484,666		484,666	484,666												
J. SECURITY LIGHTS	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0												
3. ANNUAL SALES (MWH)																												
A. RESIDENTIAL- SALES	367,326	362,515	360,921	369,998	379,303	388,843	398,622	408,648	418,925	429,461	440,262	451,335	462,870		451,335	462,870												
B. RESIDENTIAL- SEASONAL	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0												
C. IRRIGATION	134,513	159,431	176,423	179,965	183,578	187,263	191,022	194,857	198,769	202,759	206,830	210,982	215,174		210,982	215,174												
D. COMM'L - 50 KVA OR LESS	105,885	105,231	101,186	106,712	109,504	112,368	115,308	118,324	121,420	124,596	127,856	131,200	134,633		131,200	134,633												
E. COMM'L - OVER 50 KVA	156,285	152,794	143,392	145,768	149,582	153,495	157,510	161,631	165,859	170,198	174,478	179,043	183,491		179,043	183,491												
F. PUBLIC STREET	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384		2,384	2,384												
G. PUBLIC BUILDING	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0												
H. OTHER- 1	57,191	60,778	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063		61,063	61,063												
I. OTHER- 2	3,488	3,488	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816		5,816	5,816												
J. SECURITY LIGHTS	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0												
4. ANNUAL POWER REQUIREMENTS																												
A. TOTAL MWH SOLD	827,071	846,620	853,740	871,706	891,230	911,232	931,726	952,723	974,236	996,277	1,018,688	1,041,822	1,065,431		1,041,822	1,065,431												
A1 MWH SOLD NOT SUBJECT TO LINE LO:	22,006	22,006	25,087	25,463	25,845	26,233	26,626	27,026	27,431	27,843	28,260	28,684	29,114		28,684	29,114												
B. SYSTEMS OWN USE	1,394	1,562	1,543	1,768	1,768	1,795	1,820	1,848	1,876	1,908	1,937	1,970	1,970		1,970	1,970												
C. SYSTEM LOSS PERCENTAGE	5.8666%	6.8048%	6.5000%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%		6.0000%	6.0000%												
D. MWH REQUIREMENTS (PRS)	880,283	910,114	915,201	927,347	948,117	969,396	991,198	1,013,535	1,036,421	1,059,869	1,083,711	1,108,321	1,133,437		1,108,321	1,133,437												

SULPHUR SPRINGS VALLEY ELECTRIC COOP, INC
2012 FINANCIAL FORECAST

ITEM	<-----ACTUALS----->					BUDGET					PROJECTIONS					FORM 325F - DETERMINATION OF OPERATING REVENUE				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022							
3. Res. BY "REV PER KWH SOLD METHOD"																				
A. TOTAL ANNUAL MWH SOLD	367,326	362,515	360,921	369,988	379,303	388,843	398,622	408,648	418,925	429,461	440,262	451,335	462,870							
B. AVERAGE REVENUE PER KWH SOLD	\$ 0.12346	\$ 0.12322	\$ 0.12395	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000	\$ 0.1200000							
C. FIXED MONTHLY CHARGE PER CONS	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25							
D. AVG NUMBER OF CONSUMERS	41,254	41,383	41,201	41,613	42,029	42,449	42,874	43,303	43,736	44,173	44,615	45,061	45,552							
E. ANNUAL REV LESS FLOWTHRU ADJ	49,435,868	48,767,145	48,813,509	48,519,438	49,677,289	50,863,635	52,079,188	53,324,675	54,600,843	55,908,457	57,248,302	58,621,181	60,054,034							
	11.1%	-1.4%	0.1%																	
3. BY "REV PER KWH SOLD METHOD"																				
A. TOTAL ANNUAL MWH SOLD	0	0	0	0	0	0	0	0	0	0	0	0	0							
B. AVERAGE REVENUE PER KWH SOLD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000							
C. FIXED MONTHLY CHARGE PER CONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
D. AVG NUMBER OF CONSUMERS	0	0	0	0	0	0	0	0	0	0	0	0	0							
E. ANNUAL REV LESS FLOWTHRU ADJ	0	0	0	0	0	0	0	0	0	0	0	0	0							
3. Irrig. BY "REV PER KWH SOLD METHOD"																				
A. TOTAL ANNUAL MWH SOLD	134,513	159,431	176,421	179,965	183,578	187,263	191,022	194,857	198,769	202,759	206,830	210,982	215,174							
B. AVERAGE REVENUE PER KWH SOLD	\$ 0.09907	\$ 0.09319	\$ 0.09789	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500	\$ 0.0967500							
C. FIXED MONTHLY CHARGE PER CONS	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00							
D. AVG NUMBER OF CONSUMERS	718	737	787	791	795	799	803	807	811	815	819	823	827							
E. ANNUAL REV LESS FLOWTHRU ADJ	13,542,272	15,077,765	17,523,119	17,648,900	17,999,625	18,357,373	18,722,284	19,094,503	19,474,176	19,861,453	20,256,486	20,659,431	21,066,253							
	-12.9%	11.3%	16.2%																	
3. Comm < 50KVA BY "REV PER KWH SOLD METHOD"																				
A. TOTAL ANNUAL MWH SOLD	105,885	104,142	101,186	106,712	109,504	112,368	115,308	118,324	121,420	124,596	127,856	131,200	134,633							
B. AVERAGE REVENUE PER KWH SOLD	\$ 0.12896	\$ 0.12627	\$ 0.1264000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000	\$ 0.1250000							
C. FIXED MONTHLY CHARGE PER CONS	13.50	13.50	13.95	13.90	13.95	13.95	13.95	13.95	13.95	13.95	13.95	13.95	13.95							
D. AVG NUMBER OF CONSUMERS	8,475	8,547	8,466	8,551	8,636	8,723	8,810	8,898	8,987	9,077	9,167	9,259	9,352							
E. ANNUAL REV LESS FLOWTHRU ADJ	15,027,998	14,534,633	14,207,072	14,765,280	15,133,673	15,506,207	15,888,254	16,280,058	16,681,874	17,093,961	17,516,585	17,950,019	18,394,544							
	6.5%	-3.3%	-2.3%																	
Comm >50KVA																				
A. TOTAL ANNUAL MWH SOLD	156,285	152,794	143,392	145,768	149,582	153,495	157,510	161,631	165,859	170,198	174,478	179,043	183,491							
B. AVERAGE REVENUE PER KWH SOLD	\$ 0.09263	\$ 0.09448	\$ 0.09500	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000	\$ 0.0950000							
C. FIXED MONTHLY CHARGE PER CONS	44.25	44.25	49.79	49.79	49.79	49.79	49.79	49.79	49.79	49.79	49.79	49.79	49.79							
D. AVG NUMBER OF CONSUMERS	367	360	389	393	397	401	405	409	413	417	421	425	430							
E. ANNUAL REV LESS FLOWTHRU ADJ	14,671,668	14,627,795	17,134,912	14,082,749	14,447,360	14,821,472	15,205,332	15,599,195	16,003,322	16,417,982	16,827,120	17,263,250	17,688,416							
	-13.4%	-0.3%	17.1%																	
3. St Lights-BY "REV PER KWH SOLD METHOD"																				
A. TOTAL ANNUAL MWH SOLD	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384							
B. AVERAGE REVENUE PER KWH SOLD	\$ 0.23155	\$ 0.23155	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000	\$ 0.2400000							
C. FIXED MONTHLY CHARGE PER CONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
D. AVG NUMBER OF CONSUMERS	46	46	46	46	46	46	46	46	46	46	46	46	46							
E. ANNUAL REV LESS FLOWTHRU ADJ	551,903	551,903	572,049	572,049	572,049	572,049	572,049	572,049	572,049	572,049	572,049	572,049	572,049							
	28.0%	0.0%	3.7%																	
3. BY "REV PER KWH SOLD METHOD"																				
A. TOTAL ANNUAL MWH SOLD	0	0	0	0	0	0	0	0	0	0	0	0	0							
B. AVERAGE REVENUE PER KWH SOLD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000							
C. FIXED MONTHLY CHARGE PER CONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
D. AVG NUMBER OF CONSUMERS	0	0	0	0	0	0	0	0	0	0	0	0	0							
E. ANNUAL REV LESS FLOWTHRU ADJ	0	0	0	0	0	0	0	0	0	0	0	0	0							

SULPHUR SPRINGS VALLEY ELECTRIC COOP, INC
2012 FINANCIAL FORECAST

	ACTUALS					BUDGET					PROJECTIONS				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
FORM 325F - DETERMINATION OF OPERATING REVENUE															
3. Contract > 1000KVA BY "REV PER KWH SOLD METHOD"															
A. TOTAL ANNUAL MWH SOLD	57,191	58,947	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063		
B. AVERAGE REVENUE PER KWH SOLD	\$ 0.08089	\$ 0.06401	0.0590000	0.0640000	0.0640000	0.0640000	0.0640000	0.0640000	0.0640000	0.0640000	0.0640000	0.0640000	0.0640000		
C. FIXED MONTHLY CHARGE PER CONS	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00	9525.00		
D. AVG NUMBER OF CONSUMERS	1	1	1	1	1	1	1	1	1	1	1	1	1		
E. ANNUAL REV LESS FLOWTHRU ADJ	4,740,612	3,887,778	3,717,029	4,022,345	4,022,345	4,022,345	4,022,345	4,022,345	4,022,345	4,022,345	4,022,345	4,022,345	4,022,345		
3. Resale sales BY "REV PER KWH SOLD METHOD"															
A. TOTAL ANNUAL MWH SOLD	3,488	3,488	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816	5,816		
B. AVERAGE REVENUE PER KWH SOLD	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750	0.0342750		
C. FIXED MONTHLY CHARGE PER CONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
D. AVG NUMBER OF CONSUMERS	4	4	1	1	1	1	1	1	1	1	1	1	1		
E. ANNUAL REV LESS FLOWTHRU ADJ	117,300	117,300	199,343	199,343	199,343	199,343	199,343	199,343	199,343	199,343	199,343	199,343	199,343		
3. BY "REV PER KWH SOLD METHOD"															
A. TOTAL ANNUAL MWH SOLD	0	0	0	0	0	0	0	0	0	0	0	0	0		
B. AVERAGE REVENUE PER KWH SOLD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000		
C. FIXED MONTHLY CHARGE PER CONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
D. AVG NUMBER OF CONSUMERS	0	0	0	0	0	0	0	0	0	0	0	0	0		
E. ANNUAL REV LESS FLOWTHRU ADJ	0	0	0	0	0	0	0	0	0	0	0	0	0		
4. FLOWTHRU ADJUSTMENTS															
A. MWH SOLD SUBJECT TO ADJ-1	801,577	821,126	822,837	840,427	859,568	879,183	899,283	919,881	940,989	962,619	984,612	1,007,322	1,030,501		
B. FLOWTHRU ADJ-1 PER KWH	0.00251088	0.00300000	0.004950	0.007685	0.009187	0.010719	0.012282	0.013876	0.015502	0.017161	0.018852	0.020578	0.022338		
C. REV FROM ADJUSTMENT- 1	2,012,663	2,463,379	4,073,044	6,458,612	7,896,892	9,424,153	11,045,024	12,764,359	14,587,251	16,519,034	18,562,065	20,728,302	23,018,922		
D. MWH SOLD SUBJECT TO ADJ- 2	57,191	58,947	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063	61,063		
E. FLOWTHRU ADJ- 2 PER KWH (contract)	0.00000000	0.00000000	0.013157	0.013157	0.013157	0.013157	0.013157	0.013157	0.013157	0.013157	0.013157	0.013157	0.013157		
F. REV FROM ADJUSTMENT- 2	0	0	803,409	803,409	803,409	803,409	803,409	803,409	803,409	803,409	803,409	803,409	803,409		
G. TOTAL REV FROM ADJUSTMENTS	2,012,663	2,463,379	4,876,453	7,262,021	8,700,301	10,227,561	11,848,432	13,567,768	15,390,659	17,322,443	19,365,474	21,531,710	23,822,331		
5. TOTAL REV FROM SALE OF ELECT ENER(
6. OTHER OPERATING REVENUE	100,100,284	100,027,698	107,043,485	107,072,124	110,751,984	114,569,985	118,537,226	122,659,936	126,944,611	131,398,033	136,007,703	140,819,328	145,819,314		
7. TOTAL OPERATING REVENUE															
change	105,172,811	105,100,225	110,043,495	110,372,124	114,051,984	118,069,985	122,037,226	126,159,936	130,644,611	135,098,033	139,707,703	144,519,328	149,519,314		
	4,599,927	(72,586)	4,943,260	1,797,942	3,679,860	4,018,001	3,967,241	8,089,951	8,607,385	13,060,807	13,547,767	13,874,716	14,421,281		
8. ADD'L OTHER OPERATING REVENUE															
	1,105,894	-	(2,072,527)	-	-	200,000	-	-	200,000	-	-	-	-		

<--ACTUALS-->		BUDGET	PROJECTIONS

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SULPHUR SPRINGS VALLEY ELECTRIC COOP, INC
2012 FINANCIAL FORECAST

	ACTUALS				BUDGET										PROJECTIONS												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
FINANCIAL PROJECTION FORM 325H - CFC & OTHER DEBT & DEBT SERVICE																											

SULPHUR SPRINGS VALLEY ELECTRIC COOP, INC
2012 FINANCIAL FORECAST

	<-----ACTUALS----->				BUDGET		PROJECTIONS											
	2010	2011	2012	2013	2014	2015	FORM 325K - DETERMINATION OF OPERATING EXPENSES											
FINANCIAL PROJECTION												2016	2017	2018	2019	2020	2021	2022
1. A. TOTAL MWH REQUIREMENTS	880,283	910,114	915,201	927,347	948,117	969,396	991,198	1,013,535	1,036,421	1,059,869	1,083,711	1,108,321	1,133,437					
B. COST PER KWH PURCHASED (\$)	0.06942	0.06883	0.07329	0.07060	0.07201	0.07345	0.07492	0.07642	0.07795	0.07951	0.08110	0.08272	0.08437					
B1.FLOWTHRU ADJ PER KWH	0.00228	0.00114	0.00228	0.00228	0.00228	0.00228	0.00228	0.00228	0.00228	0.00228	0.00228	0.00228	0.00228					
C. COST OF POWER (\$)	61,105,441	62,639,414	67,075,510	67,585,068	70,437,475	73,414,515	76,521,728	79,764,902	83,150,086	86,683,600	90,356,801	94,206,381	98,216,332					
	61.0%	62.6%	62.7%	63.1%	63.6%	64.1%	64.6%	65.0%	65.5%	66.0%	66.4%	66.9%	67.4%					
2 A. OPER & MAINT EXPENSE - In 4-6	12,238,074	11,880,495	12,823,073	14,773,322	15,480,610	16,449,420	17,463,117	18,523,607	19,632,874	20,792,985	22,006,090	23,274,429	24,600,332					
B. RATIO TO TOTAL UTILITY PLANT	0.045434	0.039287	0.039887	0.044000	0.044880	0.045778	0.046693	0.047627	0.048580	0.049551	0.050542	0.051553	0.052584					
FIXED COST INCLUDED																		
3. A A&G and OTHER DEDUCTIONS - In 10 &	5,818,031	5,427,466	5,465,263	5,707,874	5,981,145	6,355,458	6,747,113	7,156,848	7,585,429	8,033,653	8,502,353	8,992,393	9,504,674					
B. RATIO TO TOTAL UTILITY PLANT	0.0216	0.0179	0.017000	0.017000	0.017340	0.017687	0.018041	0.018401	0.018769	0.019145	0.019528	0.019918	0.020317					
FIXED COST INCLUDED	0	0	0	0	0	0	0	0	0	0	0	0	0					
4 A. DEPRECIATION & AMORT EXPENSE - In	0.021599	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948	0.017948					
B. RATIO TO TOTAL UTILITY PLANT	9,473,337	9,490,440	9,735,488	10,809,371	11,104,785	11,568,379	12,040,472	12,521,234	13,010,838	13,509,463	14,017,286	14,534,494	15,061,273					
FIXED COST INCLUDED	0.035170	0.031383	0.032194	0.032194	0.032194	0.032194	0.032194	0.032194	0.032194	0.032194	0.032194	0.032194	0.032194					
5 A. TAX EXPENSE - In 14	1,143,577	954,343	1,296,000	1,275,878	1,336,962	1,420,632	1,508,178	1,599,766	1,695,566	1,795,758	1,900,528	2,010,064	2,124,574					
B. RATIO TO TOTAL UTILITY PLANT	0.004246	0.003156	0.004031	0.003800	0.003876	0.003954	0.004033	0.004113	0.004196	0.004279	0.004365	0.004452	0.004541					
FIXED COST INCLUDED																		
6. TOTAL UTILITY PLANT (END OF YEAR) (\$)	269,362,005	302,402,363	321,486,080	335,757,310	344,933,387	359,333,387	373,997,387	388,930,667	404,138,612	419,626,717	435,400,584	451,465,927	467,828,578					
change in total utility plant	0	33,040,358	19,083,717	14,271,230	9,176,077	14,400,000	14,664,000	14,933,280	15,207,946	15,488,105	15,773,867	16,065,344	16,362,651					
7. A CONSUMER ACCT & SALES EXPENSE -	3,685,384	3,494,860	3,529,809	4,362,249	4,449,494	4,538,484	4,629,254	4,721,839	4,816,275	4,912,601	5,010,853	5,111,070	5,213,291					
B. COST PER CONSUMER SERVED (\$)	72	68	69	85	86	87	87	88	89	90	91	92	93					
C. AVERAGE NUMBER OF CONSUMERS	50,865	51,078	50,891	51,395	51,905	52,420	52,939	53,464	53,994	54,530	55,071	55,617	56,209					